

## Message Text

UNCLASSIFIED

PAGE 01 DACCA 01356 060902Z

ACTION EB-08

INFO OCT-01 NEA-10 IO-14 ISO-00 L-03 FRB-01 OMB-01

ITC-01 SP-02 USIA-15 AGRE-00 AID-05 CIAE-00

COME-00 INR-10 LAB-04 NSAE-00 OIC-02 SIL-01

STR-07 TRSE-00 CEA-01 SS-15 /101 W

-----123772 060912Z /15

P 060657Z MAR 78

FM AMEMBASSY DACCA

TO SECSTATE WASHDC PRIORITY 8327

INFO USMISSION GENEVA PRIORITY

UNCLAS DACCA 1356

E.O. 11652 : N/A

TAGS : EFIN, BG

SUBJECT : BDG VIEWS ON DEBT RELIEF

REF : (A) STATE 52012; (B) DACCA 1342

1. BDG ADVISER (MINISTER) FOR COMMERCE M. SAIFUR RAHMAN MADE THE FOLLOWING COMMENTS ABOUT BANGLADESH'S DESIRE FOR DEBT RELIEF IN DACCA MARCH 4. RAHMAN WAS SPEAKING AT A PRESS CONFERENCE BEFORE HIS DEPARTURE FOR THE MARCH 6-10 UNCTAD TDB MINISTERIAL ON DEBT IN GENEVA WHERE HE HEADS THE BANGLADESH DELEGATION. (SEE REF B FOR FURTHER COMMENTS ON DEBT RELIEF BY JOINT SECRETARY FOR PLANNING FAKHRUDDIN AHMED, WHO IS ACCOMPANYING RAHMAN TO GENEVA.)

2. BANGLADESH WILL PRESS FOR CONVERSION OF EXISTING LDC DEBTS INTO GRANTS AT THE UNCTAD MEETING. IF THE DEVELOPED COUNTRIES FAIL TO GIVE RELIEF, LDCS WILL BE DRIVEN TO FURTHER IMPOVERISHMENT, WITH "SEVERE POLITICAL AND ECONOMIC IMPLICATIONS".

3. BANGLADESH'S FOREIGN EXCHANGE POSITION HAS BEEN AGGRAVATED BY THE INCREASING COST OF IMPORTS FROM DEVELOPED  
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COUNTRIES, FALLING EXPORT PRICES AND OVERALL DETERIORATION IN THE TERMS OF TRADE.

4. INCREASED TARIFF AND NON-TARIFF BARRIERS TO BANGLADESH'S EXPORTS BY CREDITOR DEVELOPED COUNTRIES HAVE INCREASED THE PROBLEM.

5. BANGLADESH'S DEBT SERVICE IS NO LONGER "TOLERABLE"  
AND HAS BECOME A "CRUSHING BURDEN" ON ITS LIMITED FOREIGN  
EXCHANGE. FOR EXAMPLE, DEBT SERVICE, WHICH WAS \$17.5  
MILLION IN FY 1973/74, HAS SHOT UP TO APPROXIMATELY \$88  
MILLION IN FY 1975/76. ACCORDING TO PRELIMINARY PROJEC-  
TIONS, IT WILL BE ABOUT \$125 MILLION IN 1985. SINCE  
BANGLADESH IMPORTS ARE CURRENTLY ABOUT THREE TIMES HIGHER  
THAN ITS EXPORTS, "IT IS BECOMING IMPOSSIBLE FOR US TO  
PAY (THESE) DEBTS".  
BERGESEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, DEBT REPAYMENTS  
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**Copy:** SINGLE  
**Draft Date:** 06 mar 1978  
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**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Reference:** 78 STATE 52012, 78 DACCA 1342  
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**Review Markings:**  
Sheryl P. Walter  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014